



ADVISOR



TEACHERS, EMPLOYEES, PUBLIC, STATE POLICE AND JUDICIAL

Vol. XXXIV — No. 2

SERVING OVER 320,000 MEMBERS

August 2008

RTJ UPDATE

The Grand and Battle House Hotels

Two of Mobile Bay's finest restaurants have added four diamonds to their culinary crowns. The Grand Dining Room at the Grand Hotel Marriott Resort & Spa and the Trellis Room at the Battle House, a Renaissance Hotel, have both recently received the prestigious Four Diamond Award from AAA. These two restaurants join four others in Birmingham that have previously been honored with this award in Alabama. The Four Diamond restaurant award recognizes North America's finest restaurants that offer creative cuisine, excellent service and upscale surroundings. Less than 3 percent of the over 27,000 restaurants approved by AAA achieve this coveted distinction.

The Resort Collection of the Robert Trent Jones Golf Trail has four of Alabama's five Four Diamond hotels and adding two Four Diamond restaurants to this list shows the quality hospi-

Continued on page two

Gulf State Park

Bad Decision – Appeal It

By David G. Bronner

A former conservation commissioner once stated that, "Gulf State Park was built so that working people could have a place." Circuit Court Judge Gene Reese bit hook, line, and sinker by ruling that no upscale hotel and conference center could be built at the state-owned beach. Judge Reese has a good reputation, but his decision should be appealed by Governor Riley because this thinking belongs in the 1800s!

The reason Governor Lurleen Wallace built the state parks was to bring in tourists to Alabama. Alabama was broke at the time, and while tourists did not need schools and services, they spent a lot of money. About 15 years ago, Alabama got serious about tourism with the development of the Robert Trent Jones Golf Trail. Since then, tourism has grown from \$1.8 billion in revenue to over \$9.3 billion. This is primarily due to the \$3+ million in monthly ads that air on RSA media investments across America.

Gulf State Park is extremely important to Alabama's growth in tourism. The park covers 6,150 acres and includes a 2.5 mile stretch of undeveloped white sandy beaches. Unfortunately, Alabama has already wasted over four years since Hurricane Ivan shut it down in 2004! It is important to realize that ignoring obvious revenue in a poor state is as dumb as wasteful spending.

No one, unless they are on someone's payroll, wants wall-to-wall condos or anything like that. The park is an asset that should generate millions to the state each year and not sit idle. Only someone who does not understand would say, "Only for working people..." Get a grip! Disney, Six Flags, and any park developer will tell you that with over six thousand acres, the perfect park would include low-, middle- and high-class areas. Hello – what better way to pay for amenities for the backpackers and campers than having the presidential suite pay for it! ■

Kentucky Passes Pension Reforms

Editorial

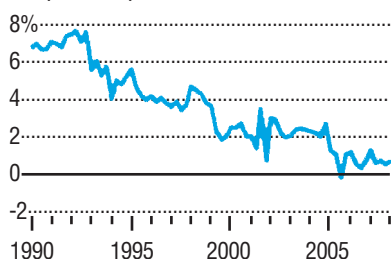
Even though Kentucky Republicans claimed that the pension benefits were still too generous, Governor Steve Beshear signed a public pension reform bill that commits the state to a fully-funded system by 2025.

The program creates a split system and reduces benefits for future hires. The reforms require employees to contribute an additional one percent toward their health care benefits. It removes 27 year retirement at any age and replaces it with combination of age and years of service of 87. The minimum age to retire is 57.

More and more states will be looking at the benefits provided to public employees, especially as national and state economic conditions continue to decline. Public employees must understand the importance of their associations in the maintenance of their benefits. It is very important to elect politicians that will support employee pension and health care benefits in good times as well as tough times. ■

Savings Slump

Personal saving as a percentage of disposable personal income in the U.S.



Source: Bureau of Economic Analysis

The American Dream

By Mortimer B. Zuckerman, *U.S. News & World Report*

Is the American middle class an endangered species? The majority of Americans have long shared one state of mind: that they are in some central way members of the middle class and hold a passport to the good life.

It's true that there's been a contraction of the number of middle-tier households earning between \$45,000 and \$90,000. And it's true they are having a tough time. Six in 10 testify to incomes falling behind the cost of living; six in 10 find it hard to pay for gasoline; and five in 10 say they can't afford healthcare. More than a quarter say they have trouble even affording food. To maintain their lifestyle – including those fancy cable TV packages, broadband Internet connections, and travel – they've sent more family members to work, taken on more debt, and borrowed through home equity loans, though the housing slump has undermined that asset.

At the other end of the income spectrum, the well heeled keep doing better. The number of millionaires has shot up, and the wealthiest 1 percent of U.S. families have pushed their share of total national income to levels – 21 percent – unseen since the Gilded Age. Yet growing inequality has had little traction thus far as a political issue. Why is this? Partly because some have moved up, as economist Stephen Rose points out. There are 12 percent more households earning in excess of \$100,000 than 20 or so years ago. And those making less than \$30,000 have not increased. So virtually the entire “decline” of the middle-class group has come from people moving up

the income ladder, not down.

...Education is another great American success story. There has been a dramatic increase in the percentage of adults completing high school and college. Nearly 90 percent of all adults get a high school diploma today compared with 33 percent in 1947; college graduates have soared from 5.4 percent in 1947 to almost 30 percent today.

...For all that, reaction is gathering force in at least two areas. One is an increasing distrust of free trade. There is a widespread conviction that globalization – seen by economists as a boon – holds down earnings for millions of Americans who compete with workers overseas. Free trade has become a political albatross.

Secondly, the level of wealth in the stratosphere of incomes has gotten so extreme that it is provoking a considerable majority to support the notion that wealth should be more evenly distributed through higher taxes. Senator Obama's plan to take more from people earning \$250,000 and above a year, to raise capital gains taxes, and devote some of this money to education may therefore have far more political traction than Senator McCain's intent to maintain the tax cuts of President Bush and, if anything, to expand them. Given that the Bush tax cuts have disproportionately benefited upper income people, McCain's recommendation may work with the Republican base but most likely will narrow his attraction to the decisive swing voters of the American center – that is, a good part of the middle class. ■

New TRS Board Members

Dr. Paul Hubbert administers the Oath of Office to John R. Whaley, Teacher Position No. 2, and Danny Stallings, Principal Position.



RTJ Update

continued from page one

talities experiences available in our resorts. The Four Diamond hotels on the RTJ Golf Trail include the Marriott Shoals Hotel & Spa in Florence; Renaissance Ross Bridge Golf Resort & Spa in Hoover; the Grand Hotel in Point Clear; and the Battle House Hotel in Mobile. ■

How Low Can You Go And Still Have Progress? STATE TAX RANKINGS

Average state and local taxes collected per person

Rank	State	Taxes per person
1.	New York	\$6,413
2.	Wyoming	\$6,116
3.	Connecticut	\$5,685
4.	New Jersey	\$5,459
5.	Alaska	\$5,410
	MEDIAN	\$3,700
46.	So. Carolina	\$2,874
47.	So. Dakota	\$2,842
48.	Tennessee	\$2,838
49.	Mississippi	\$2,822
50.	Alabama	\$2,782

State and local taxes collected per person, as a percentage of individual income

Rank	State	% of Income
1.	Wyoming	24.9%
2.	New York	22.9%
3.	Alaska	20.1%
4.	Maine	19.0%
5.	Louisiana	18.2%
	MEDIAN	15.5%
46.	Alabama	13.1%
47.	Colorado	13.0%
48.	So. Dakota	12.9%
49.	Tennessee	12.9%
50.	New Hampshire	11.9%

Note: Information is for the 2006 fiscal year, which for most states ended June 30, 2006. For Alabama, it ended Sept. 30, 2006. Twenty-five states had higher totals or percentages than medians and 25 had lower. Source: Calculations using U.S. Census Bureau reports on state and local tax collections in the 2006 fiscal year, population estimates for July 1, 2006, and per-capita income estimates for 2006.

The Birmingham News Staff

"here of all places"

Last month, the magazine *Hotel Business News* had a full two-page story on RSA's newest hotel, The Renaissance Montgomery Hotel and Spa at the Convention Center.

Montgomery Renaissance High-Tech

By Christopher Ostrowski

The property-level bastions of high technology within the hotel industry thus far have emerged, not surprisingly, within the luxury realm and within some of the world's largest and most advanced cities. Several Mandarin Oriental and Peninsula hotels immediately come to mind in markets like New York and Hong Kong. But now challenging that paradigm with its fully-converged infrastructure and cutting edge guest amenities is none other than a new Renaissance hotel *here of all places*. Consequently, the world of the high-tech hotel may now never be the same.

Owned by the Retirement Systems of Alabama and operated by PCH Hotels and Resorts, the 345-room Renaissance Montgomery Hotel and Spa at the Convention Center opened on Feb. 4. The \$220 million hotel is just the latest in a group of eight hotels PCH operates for

the Retirement Systems of Alabama, with each new asset being more high-tech than the last. Thus, the Renaissance is in many ways the culmination of both the owner and operator's evolving technology hopes and dreams.

"The 'why' behind this property really goes back to the ownership group and their vision is to change the image of Alabama," explained Scott Watts, the corporate director of information technology at Mobile, AL-based PCH. "When you think of Alabama you might think of something different than a good tourist destination. Having a state-of-the-art, top-of-the-line hotel along with a Robert Trent Jones golf course is part of that vision and I think it's having an impact."

...That vision, according to Watts, translated into what was a \$5-million investment in all of the hotel's cutting-edge technology as well as \$3.3 million

for specifically the converged, fiber optic Cisco Systems infrastructure. This, of course, houses nearly all of the hotel's front-of-the-house and back-of-the-house systems, services and amenities.

...Watts notes, "So between that backbone plus the four CAT6 cables we've got running to every single guestroom, we went the extra step to future proof."...But from the looks of things at the Renaissance Montgomery, the future is decidedly now...For the guest there is a wireless Avaya IP phone in each guestroom that guests can utilize throughout the hotel and conference center and within a two-block radius of the hotel site.

...Watts asserts, "They built a hotel in Montgomery with the idea that if you're going to build a trophy then, damn it, build a trophy. Regardless, though, this will be one of the most high-tech hotels in the world even 10 years from now." ■

Tourism

Alabama tourism officials are mounting campaigns to promote the state as a cheaper summer vacation option for families worried about rising gasoline costs.

Lee Sentell, director of the Alabama Tourism Department, said the state has benefited as folks stay closer to home this summer. While tourism nationally is reportedly down 3 percent from last year, Alabama has seen tourism revenue rise 3 percent so far in 2008, he said.

Alabama tourism expenditures hit a record \$9.3 billion last year, up 10 percent from 2006. Though it is unlikely Alabama will maintain the momentum of the double-digit increases of the past two years, Sentell said Alabama is faring much better than many other states.

Rather than being hurt by gasoline prices, Sentell said Alabama's beaches might actually be attracting more families who traditionally travel to central Florida.

"Our beaches have an 85 percent return rate, which is among the highest loyalty rates among the nation's top destinations," Sentell said. ■

RSA Retirees Exceed 100,000

June 2008 Retirees

TRS	ERS	JRF	RSA
65,547	34,512	312	100,371

TRS Board Election Notice

Candidates are currently being sought for the Principal Position, Teacher Position No. 3, and Support Personnel Position No. 2 for the TRS Board of Control. Applicants must submit completed nomination petitions by **4:00 p.m., September 5, 2008**, to be eligible. Nomination packets are available at our new Web site address www.rsa-al.gov or contact the Elections Coordinator at 800-214-2158, extension 1573.

ENJOY YOUR FALL
A Special Deal
FOR RSA MEMBERS

The Battle House,

A Renaissance Hotel – Mobile – \$89

- August 8–9, 15–17, 22–24 • Sept. 1–6, 19–21
- Oct. 10–12, 17–18, 24–25, 31

**The Renaissance Riverview Plaza –
Mobile – \$79**

- August 22–24 • Sept. 1–6, 26, 28 • Oct. 13–14

Marriott Grand – \$89 plus a 14% resort fee

- August 4, 21, 24–26
- Sept. 1–4, 7–11, 14–18, 28–30
- Oct. 1–7, 12–14, 17–18, 24–31

Marriott Grand – RSA Golf Package – \$169

Ask for code – LOCD

Includes: Deluxe Room, One Round of Golf for Two People.

Call for Tee Times after booking package

- August 4, 21, 24–26
- Sept. 1–4, 7–11, 14–18, 28–30
- Oct. – Not available at this time

Marriott Shoals – Florence – \$79

- August 3, 10–12, 17–18, 24–25, 27
- Sept. 7, 14, 21, 23 • Oct. 12–13, 19–20, 28–29

Renaissance Ross Bridge – Hoover – \$89

- August 3–6, 17–18, 24–28, 31
- Sept. 1–2, 7–8, 14–15, 21–22, 28–29
- Oct. 1, 6, 12–14, 21, 31

Opelika Marriott – \$79

- August 3–4, 6–7, 10–12, 17, 19, 21, 24, 26–28, 31
- Sept. 1–3, 6, 12–13 • Oct. 5–6, 12, 18, 22, 27

Prattville Marriott – \$79

- August 1–5, 10–17, 19–23, 28, 30–31
- Sept. 1–3, 6, 12–13 • Oct. 5–9, 12, 18, 22, 27

Renaissance Montgomery – \$89

- August 3, 10–11, 13, 17–18, 28–31
- Sept. 1–4, 14, 16, 21, 29–30
- Oct. 8–11, 18, 26–27, 31

RSA Spa Package – \$159

Ask for code – LOCD Includes Deluxe Room

- August 3, 10–11, 17–18, 28–31
- Sept. 1–4, 14, 16, 21, 29–30
- Oct. 8, 26–27

Book early because the rooms are limited at these special rates.

These rates are not applicable to groups or conventions.

Code: RABM, 800-228-9290

ALABAMA Forest Facts

Source: Alabama Forestry Association

Who owns Alabama's forest lands? Private non-industrial landowners own 78%; forest industry and investment firms own 16%; National forests own 3% and other public own 3%. There are 440,000 forest landowners in Alabama according to the Alabama Forestry Commission. Forests are like the goose that lays the golden egg.

- Forestry is also one of the largest manufacturing industries in the Southeast. In Alabama, forestry produces more than \$15 billion worth of products a year. The forest industry directly employs approximately 70,000 Alabamians with an annual payroll of \$2.2 billion. Another 100,000 workers are indirectly employed by forestry. In all, forestry employs about 12% of Alabama's total work force either directly or indirectly.

- Forests provide soil protection, quality water, wildlife habitat, recreation and natural beauty. And now will be called on for carbon sequestration and alternative energy. These are values provided at no cost to society.



The ADVISOR

CEO

David G. Bronner

Deputy

Marc Reynolds

Executives

Communications

Michael E. Pegues

Chief Accountant & Financial Officer

Diane E. Scott

Employees' and Judicial Retirement

Don Nelson

Field Services

Judy P. Uteley

Information Technology Services

Michael T. Baker

Investments

Marc Green

Legal

William T. Stephens

William F. Kelley, Jr.

Legislative Counsel

Lindy J. Beale

RSA-1

Teresa Pettus

Teachers' Health Insurance

Lee Hayes

Teachers' Retirement

Donald L. Yancey

The Retirement Systems of Alabama

135 South Union Street

P.O. Box 302150

Montgomery, Alabama 36130-2150

Phone: 334/832-4140

1-800-214-2158

RSA Web site:

<http://www.rsa-al.gov>

PRSR STD
U.S. POSTAGE
PAID
MONTGOMERY, AL
PERMIT NO. 402

RETIREMENT SYSTEMS OF ALABAMA
135 SOUTH UNION
P.O. BOX 302150
MONTGOMERY, ALABAMA 36130-2150

A Summer/Fall Vacation You Can Afford : RSA Hotels
Spas at Grand; Florence; Ross Bridge and Montgomery | Golf Everywhere on RTJ Trail